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瑞安房地產
SHUI ON LAND

Shui On Land Limited

瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 272)

**CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF
INTEREST IN GREAT MARKET LIMITED
AND FORMATION OF JOINT VENTURE**

The Board is pleased to announce that on 14 May 2019, the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor (an indirect wholly-owned subsidiary of SOCAM) in relation to the sale and purchase of 58% of the issued voting share capital of the Target Company and the assignment of the Sale Shareholder Loan for a total Consideration of approximately RMB147.85 million (equivalent to approximately HK\$172.98 million) (subject to adjustment).

Upon Closing, the Target Company will become a non-wholly owned subsidiary of the Company under the Listing Rules in which the Purchaser and the Vendor will hold 58% and 42% of the issued voting share capital of the Target Company respectively.

The Target Company directly owns 60% of the equity interest of the Project Company, which in turn directly and wholly owns land use rights of the Land and has the right to occupy, use, dispose of and benefit from the Properties erected on the Land.

LISTING RULES IMPLICATIONS

Each of (i) Mr. Lo, who is the Chairman of the Company, and his associates; and (ii) Ms. Lo, who is an executive Director, and her associates, are together entitled to control the exercise of more than 30% of the voting power at general meetings of the Company. Accordingly, each of Mr. Lo and Ms. Lo is a connected person of the Company. Each of (i) Mr. Lo, who is also the chairman of SOCAM, and his associates; and (ii) Ms. Lo, who is also a non-executive director of SOCAM, and her associates, are together entitled to control the exercise of more than 30% of the voting power at general meetings of SOCAM. Therefore, the Vendor, being a subsidiary of SOCAM and hence an associate of each of Mr. Lo and Ms. Lo, is a connected person of the Company. As such, the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of each of the Consideration and the maximum commitment under the Shareholders Agreement by the Group is more than 0.1% but less than 5%, the Transactions are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Acquisition is subject to fulfilment of the Conditions and may be terminated in certain circumstances. Accordingly, there is no assurance that the Acquisition will be completed. Shareholders, investors in general and holders of securities of the Company should exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 14 May 2019, the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor (an indirect wholly-owned subsidiary of SOCAM) in relation to the sale and purchase of 58% of the issued voting share capital of the Target Company and the assignment of the Sale Shareholder Loan for a total Consideration of approximately RMB147.85 million (equivalent to approximately HK\$172.98 million) (subject to adjustment).

Upon Closing, the Target Company will become a non-wholly owned subsidiary of the Company under the Listing Rules in which the Purchaser and the Vendor will hold 58% and 42% of the issued voting share capital of the Target Company respectively.

REASONS AND BENEFITS OF THE ACQUISITION AND THE FORMATION OF JOINT VENTURE

The Acquisition will provide the Group's new landbank in Nanjing, the capital of Jiangsu Province and one of the most prosperous second tier cities of the PRC. The Group has already commenced two asset management projects in Nanjing, and further expansion in the Nanjing market is in line with the Company's growth strategy.

The Land is located at the core area of Qixia District, where the local government is considering to redevelop and transform the relevant area on Qixia Mountain of Qixia District into a high-end community incorporating "culture, tourism and living". With the Company's experience in urban regeneration and expertise in large-scale master-planned community development, the Board believes that, through the acquisition of the Land, the Company will be well positioned to participate in the future redevelopment of the Qixia District.

The Directors (including the independent non-executive Directors, but other than (i) Mr. Lo, who has a material interest in the Transactions given his indirect interest in the Vendor and the Target Company; (ii) Ms. Lo who has a material interest in the Transactions given her deemed interest in the Vendor and the Target Company; and (iii) Mr. Frankie Y. L. WONG who is also an executive director, the chief executive officer and the chief financial officer of SOCAM, the three of them having abstained from voting on the relevant Board resolutions approving the Transactions) are of the view that the terms and conditions of the Sale and Purchase Agreement and the Shareholders Agreement and the transactions contemplated thereunder are entered into on normal commercial terms and in the ordinary and usual course of the business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

Date

14 May 2019

Parties

- (1) Purchaser: Pacific Wise Enterprises Limited, an indirect wholly-owned subsidiary of the Company
- (2) Vendor: Shui On Building Materials Limited, an indirect wholly-owned subsidiary of SOCAM

Subject Matter

The Purchaser has agreed to purchase, acquire, assume and take from the Vendor, and the Vendor has agreed to sell, assign and transfer to the Purchaser (i) the Sale Shares, comprising 58% of the issued voting share capital of the Target Company, free from all encumbrances and together with all rights attached thereto; and (ii) the Sale Shareholder Loan, on and subject to the terms and conditions set forth in the Sale and Purchase Agreement.

At 31 March 2019, the aggregate outstanding amount of the Shareholder Loan was approximately HK\$201.08 million.

Neither the Purchaser nor the Vendor shall be obliged to complete the purchase and sale of any of the Sale Shares unless (a) the purchase and sale of all the Sale Shares and (b) the assignment of the benefit of the Sale Shareholder Loan are completed simultaneously in accordance with the Sale and Purchase Agreement.

Consideration

In consideration for the transfer of the Sale Shares and the assignment of the benefit of the Sale Shareholder Loan, subject to the terms and conditions contained in the Sale and Purchase Agreement, the Purchaser shall (i) pay to the Vendor the amount of approximately RMB127.47 million (equivalent to approximately HK\$149.14 million), being the Initial Purchase Price (subject to adjustment); and (ii) procure that the amount of approximately RMB20.38 million (equivalent to approximately HK\$23.84 million) (the “**Purchaser’s Onshore Payment**”) be provided by the Purchaser’s Onshore Affiliates as an interest-free shareholder loan to the Project Company upon Closing for the purpose of enabling the Project Company to partly repay the Vendor’s Onshore Receivables. The Initial Purchase Price shall be adjusted in accordance with the Post-Closing Purchase Price Adjustment (the “**Final Purchase Price**”, together with the Purchaser’s Onshore Payment, the “**Consideration**”), further details of which are set out in the paragraph headed “Post-Closing Purchase Price Adjustment” below.

The Consideration was arrived at after arm’s length negotiations between the Vendor and the Purchaser on normal commercial terms and was determined principally with reference to the valuation report prepared by an independent valuer jointly appointed by the Company and SOCAM, of which the valuation of the Target Group’s Land and the Properties amounts to approximately RMB444 million (equivalent to approximately HK\$519.48 million) at 25 March 2019, and the face value of the Project Company’s shareholder loans and payables due to the relevant shareholders.

Payment

Subject to the terms of the Sale and Purchase Agreement, the Consideration shall be paid in the following manner.

Deposit

The Purchaser shall pay an amount equal to 10% of the Initial Purchase Price (the “**Deposit**”) within five (5) Business Days from the date of the Sale and Purchase Agreement to the Vendor.

Offshore Balance Payment and Purchaser’s Onshore Payment

Upon the Closing Date subject to the satisfaction or, where applicable, waiver of the Conditions, the Purchaser shall (i) pay to the Vendor an amount equal to the Initial Purchase Price minus the Retention Money and the Deposit (the “**Offshore Balance Payment**”); and (ii) procure the Purchaser’s Onshore Affiliates to provide the Purchaser’s Onshore Payment as an interest-free shareholder loan to the Project Company.

Post-Closing Purchase Price Adjustment

The Initial Purchase Price shall be adjusted as follows (the “**Post-Closing Purchase Price Adjustment**”) and shall be paid on the fifth (5th) Business Day after the agreement or determination of the Audited Closing Statements of Assets and Liabilities:

- (i) if the Final Purchase Price is more than the Initial Purchase Price, the Purchaser shall pay to the Vendor the Retention Money and an amount equal to the difference between the Final Purchase Price and the Initial Purchase Price;
- (ii) if the Final Purchase Price is more than the amount equal to the Offshore Balance Payment plus the Deposit but is less than the Initial Purchase Price, the Purchaser shall pay to the Vendor such part of the Retention Money as equal to the difference between the Final Purchase Price and the amount equivalent to the Offshore Balance Payment plus the Deposit, and the remaining part of the Retention Money shall be forfeited by the Purchaser; or
- (iii) if the Final Purchase Price is less than the amount equal to the Offshore Balance Payment plus the Deposit, the Vendor shall pay to the Purchaser the amount equal to the difference between the Final Purchase Price and such amount equivalent to the Offshore Balance Payment plus the Deposit, and the Retention Money shall be forfeited by the Purchaser.

It is expected that the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Consideration (taking into account the expected amount of the Post-Closing Purchase Price Adjustment) will remain to be less than 5%.

Exchange Rate

For the purposes of payment, the exchange rate for the conversion of RMB into HK\$ or vice versa shall be based on an exchange rate that is the average middle rate between RMB to HK\$ (or vice versa, as the case may be) as promulgated by The People's Bank of China at the close of business on each of the five (5) Business Days prior to such payment.

Conditions to Closing

Closing is conditional upon, among other things, the satisfaction or, where applicable, waiver by the Purchaser, of the following Conditions:

- (i) on or before the Long Stop Date (the “**Closing Conditions**”):
 - (a) the independent shareholders' approval having been obtained by SOCAM in respect of the Sale and Purchase Agreement, the Shareholders Agreement and the Transactions contemplated thereunder pursuant to the requirements of the Listing Rules; and
- (ii) on Closing (the “**Additional Closing Conditions**”):
 - (a) saved as disclosed pursuant to the terms of the Sale and Purchase Agreement, no notice or order having been issued by any government entities under applicable law for the acquisition of any major part of the Land or the Properties (comprising, in total, 10% or more of the site area of the Land or the total gross floor area of the Properties respectively);
 - (b) no major additional part (between the date of the Sale and Purchase Agreement and the Closing Date) of the Land or the Properties (comprising, in total, 10% or more of the site area of the Land or the total gross floor area of the Properties respectively) having been damaged, destroyed or rendered inaccessible; and
 - (c) no event which has a Material Adverse Effect on the Target Group having occurred before the Closing Date.

If any of the Closing Conditions is not satisfied or waived on or before the Long Stop Date, the Purchaser may by notice to the Vendor (i) defer the Long Stop Date once for a period of not more than sixty (60) days; or (ii) terminate the Sale and Purchase Agreement. If any of the Additional Closing Conditions is not satisfied or waived on or before the Closing Date, either the Vendor or the Purchaser (as the case may be) may by notice to the other party terminate the Sale and Purchase Agreement.

Closing

Subject to fulfilment or waiver (as the case may be) of the Conditions, Closing shall take place on the Closing Date. Following Closing, each member of the Target Group will become an indirect non-wholly owned subsidiary of the Company.

If the Purchaser fails to complete the Acquisition in accordance with the Sale and Purchase Agreement, the Deposit shall be forfeited to the Vendor. If the Vendor fails to complete the Acquisition in accordance with the Sale and Purchase Agreement, the Vendor shall return the Deposit to the Purchaser, and at the same time compensate the Purchaser with a sum equal to the amount of the Deposit as liquidated damages.

INFORMATION ON THE TARGET GROUP AND THE LAND

At the date of this announcement, the Target Company is an indirect wholly-owned subsidiary of SOCAM and is principally engaged in investment holding activities. The Project Company is directly owned as to 60% by the Target Company and 40% by the JV Partner respectively, and is principally engaged in manufacturing and trading of cement in Nanjing, the PRC. The Project Company directly and wholly owns the land use rights of the Land, which comprises six adjoining land lots with a total area of 319,871.9 square meters located at the eastern side of Qixia Mountain, Qixia Town, Qixia District, Nanjing, the PRC, and has the right to occupy, use, dispose of and benefit from the Properties erected on the Land.

Set out below are summaries of certain financial information of the Target Group for the years ended 31 December 2017 and 2018:

Target Company

	(unaudited)	(audited)
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net loss (both before and after taxation and extraordinary items)	(15)	(11)

The unaudited net liabilities (inclusive of the shareholder's loans of approximately HK\$213 million) of the Target Company at 31 December 2018 was approximately HK\$96.7 million.

Project Company

	(unaudited)		(audited)	
	2018		2017	
	<i>Equivalent to</i>		<i>Equivalent to</i>	
	<i>approximately</i>		<i>approximately</i>	
	<i>RMB million</i>	<i>HK\$ million</i>	<i>RMB million</i>	<i>HK\$ million</i>
Net loss (both before and after taxation and extraordinary items)	(16.8)	(19.7)	(21.5)	(25.2)

The unaudited net liabilities of the Project Company (inclusive of the shareholders' loans and advances totalling approximately RMB251.4 million (equivalent to approximately HK\$294.1 million)) at 31 December 2018 was approximately RMB191.2 million (equivalent to approximately HK\$223.7 million).

To the best of the Company's knowledge and after making reasonable enquiries, the aggregate original acquisition/investment cost of (i) 58% of the issued voting share capital of the Target Company; and (ii) the Sale Shareholder Loan by the Vendor, is approximately RMB99.8 million (equivalent to approximately HK\$116.8 million).

FORMATION OF JOINT VENTURE

Upon Closing, the Target Company will become a non-wholly owned subsidiary of the Company in which the Purchaser and the Vendor will hold 58% and 42% of the issued voting share capital of the Target Company respectively.

The Vendor, the Purchaser and the Target Company will enter into the Shareholders Agreement with respect to the Target Company at Closing.

Shareholders Agreement

Business

The business of the Target Company will continue to be owning and holding 60% equity interest in the Project Company.

Board composition

The board of directors of the Target Company shall consist of five (5) directors, of which two (2) shall be nominated by the Vendor and three (3) shall be nominated by the Purchaser, provided that the Vendor and the Purchase shall hold 42% and 58% of the issued voting share capital of the Target Company respectively. The chairman of the board of directors of the Target Company shall be a director nominated by the Purchaser. In addition, the Purchaser shall have the right to nominate two (2) directors and one (1) supervisor of the Project Company.

Funding

Unless otherwise agreed in writing by the shareholders of the Target Company, the working capital and other funding needs of the Target Company shall be funded in the following order: (i) firstly, from cash flows generated from the business of the Target Group, (ii) secondly, from borrowings from banks and financial institutions on arm's length commercial terms and, if necessary, with security over the assets of the Target Group, and (iii) thirdly, from loans provided by the shareholders of the Target Company (and their respective affiliates) on a pro-rata basis, the Purchaser's maximum commitment of which, pursuant to the Shareholders Agreement, shall not exceed RMB41.4 million (equivalent to approximately HK\$48.44 million).

Reserved matters and restriction on transfer of shares

Certain matters concerning the Target Group are subject to unanimous approval of all the shareholders of the issued voting share capital of the Target Company.

Except with the written consent of the other shareholder, none of the shareholders of the issued voting share capital of the Target Company shall sell, transfer or otherwise dispose of any of its shares in the Target Company or the shareholder's loans provided by it to the Target Company (other than the sale, transfer or disposal to an affiliate of that shareholder).

Arrangement regarding government acquisition

While the Vendor and the Purchaser continue to hold their respective effective equity interests in the Project Company, if the Land and/or the Properties are acquired by the PRC government entities, the compensation received by the Target Company from the Project Company shall be apportioned according to the respective share interests of the Vendor and the Purchaser in the Target Company, save that, if the compensation payable to the Target Company is more than RMB255 million (equivalent to approximately HK\$298.35 million), the additional amount up to RMB275.4 million (equivalent to approximately HK\$322.22 million) shall be paid by the Target Company to the Vendor.

INFORMATION OF THE GROUP

The Company, through its subsidiaries and associates, is one of the leading property developers in the PRC. The Group engages principally in the development and redevelopment, sale, leasing, management and ownership of high-quality residential and mixed-use properties in the PRC.

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE VENDOR

The Vendor is an indirect wholly-owned subsidiary of SOCAM and its principal activity is investment holding. SOCAM principally engages in property development and investment, and asset management in the PRC, and construction in Hong Kong and the Macao Special Administrative Region of the PRC.

LISTING RULES IMPLICATIONS

Each of (i) Mr. Lo, who is the Chairman of the Company, and his associates; and (ii) Ms. Lo, who is an executive Director, and her associates, are together entitled to control the exercise of more than 30% of the voting power at general meetings of the Company. Accordingly, each of Mr. Lo and Ms. Lo is a connected person of the Company. Each of (i) Mr. Lo, who is also the chairman of SOCAM, and his associates; and (ii) Ms. Lo, who is also a non-executive director of SOCAM, and her associates, are together entitled to control the exercise of more than 30% of the voting power at general meetings of SOCAM. Therefore, the Vendor, being a subsidiary of SOCAM and hence an associate of each of Mr. Lo and Ms. Lo, is a connected person of the Company. As such, the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of each of the Consideration and the maximum commitment under the Shareholders Agreement by the Group is more than 0.1% but less than 5%, the Transactions are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Acquisition is subject to fulfilment of the Conditions and may be terminated in certain circumstances. Accordingly, there is no assurance that the Acquisition will be completed. Shareholders, investors in general and holders of securities of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms and expressions have the following meanings:

“Additional Closing Conditions”	has the meaning ascribed to it under the paragraph headed “THE SALE AND PURCHASE AGREEMENT — Conditions to Closing” in this announcement;
“Acquisition”	the acquisition of the Sale Shares and the assignment of the Sale Shareholder Loan pursuant to the terms of the Sale and Purchase Agreement;
“Affiliate(s)”	in relation to any company, enterprise or entity, any other company, enterprise or entity that directly or indirectly Controls or is Controlled by, or under common Control with, such company, enterprise or entity;
“associate(s)”, “connected person(s)”, “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“Audited Closing Statements of Assets and Liabilities”	the audited statements of assets and liabilities of the Target Group at the Closing Date;
“Board”	the board of Directors;
“Business Day(s)”	a day, other than a Saturday or Sunday, on which banks are generally open in Hong Kong and the PRC for business;
“Chairman”	Chairman of the Board;
“Closing”	closing of the transactions under the Sale and Purchase Agreement;
“Closing Conditions”	has the meaning ascribed to it under the paragraph headed “THE SALE AND PURCHASE AGREEMENT — Conditions to Closing” in this announcement;
“Closing Date”	the date of Closing, that is, within five (5) Business Days after the satisfaction or, where applicable, waiver of the Conditions (or such other date as agreed by the parties to the Sale and Purchase Agreement);

“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands, whose shares are listed on the main board of the Stock Exchange (stock code: 272);
“Conditions”	collectively, the Closing Conditions and the Additional Closing Conditions, or any of such conditions;
“Consideration”	has the meaning as ascribed to it under the paragraph headed “THE SALE AND PURCHASE AGREEMENT — Consideration” in this announcement;
“Control”	having the direct or indirect power to, directly or indirectly, direct the management or policies, or control the membership of the board of directors, of the relevant company, including a holding of more than 50% of the voting rights in such company;
“Deposit”	has the meaning ascribed to it under the paragraph headed “THE SALE AND PURCHASE AGREEMENT — Payment” in this announcement;
“Directors”	the directors of the Company;
“Final Purchase Price”	has the meaning ascribed to it under the paragraph headed “THE SALE AND PURCHASE AGREEMENT — Consideration” in this announcement;
“Group”	collectively, the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Initial Purchase Price”	the initial purchase price in the aggregate sum of RMB127.47 million (equivalent to approximately HK\$149.14 million) payable by the Purchaser to the Vendor in relation to the Acquisition in accordance with the Sale and Purchase Agreement;

“JV Partner”	江南水泥廠有限公司(Jiangnan Cement Plant Co., Ltd.*), a company organized under the laws of the PRC, which holds 40% equity interest in the Project Company;
“Land”	the parcels of land held by the Project Company at the eastern side of Qixia Mountain, Qixia Town, Qixia District, Nanjing, the PRC, which comprises six adjoining land lots with a total area of 319,871.9 square meters;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	three (3) months after the date of the Sale and Purchase Agreement or such other date as agreed in writing by the Vendor and the Purchaser;
“Material Adverse Effect”	such effect of any change or event that causes the Target Group to suffer losses in aggregate equal to or greater than RMB14.785 million (equivalent to approximately HK\$17.3 million), other than any such effect attributable to (a) changes in the stock markets, interest rates, exchange rates or other general economic conditions or conditions affecting the industry in which the Target Group operates generally; (b) changes in laws, regulations or accounting practices; and/or (c) the Transactions contemplated by the Sale and Purchase Agreement and the Shareholders Agreement or the change of control resulting from the Transactions;
“Mr. Lo”	Mr. Lo Hong Sui, Vincent, an executive Director and Chairman of the Company;
“Ms. Lo”	Ms. Lo Bo Yue, Stephanie, an executive Director;
“Offshore Balance Payment”	has the meaning ascribed to it under the paragraph headed “THE SALE AND PURCHASE AGREEMENT — Payment” in this announcement;
“Post-Closing Purchase Price Adjustment”	has the meaning as ascribed to it under the paragraph headed “THE SALE AND PURCHASE AGREEMENT — Payment” in this announcement;

“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan area;
“Project Company”	Nanjing Jiangnan Cement Company Limited* (南京江南水泥有限公司), a sino-foreign joint venture incorporated under the laws of the PRC with limited liability owned as to 60% by the Target Company and 40% by the JV Partner respectively at the date of this announcement;
“Properties”	collectively, certain properties on the Land, including factory buildings, warehouses, office buildings, training premises and other buildings and structures, which the Project Company has the right to occupy, use, dispose of and benefit;
“Purchaser”	Pacific Wise Enterprises Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“Purchaser’s Onshore Affiliates”	one or more of the Purchaser’s Affiliates in the PRC;
“Purchaser’s Onshore Payment”	has the meaning as ascribed to it under the paragraph headed “THE SALE AND PURCHASE AGREEMENT — Consideration” in this announcement;
“Retention Money”	an amount equal to 10% of the Initial Purchase Price to be held as retention money by the Purchaser;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 14 May 2019 entered into between the Purchaser and the Vendor in relation to, among other things, the Acquisition;
“Sale Shares”	58% of the issued voting share capital of the Target Company;
“Sale Shareholder Loan”	58% of the outstanding amount of the Shareholder Loans, amounting to approximately HK\$117.05 million at 31 March 2019;

“Shareholder(s)”	holder(s) of ordinary share(s) of the Company;
“Shareholder Loans”	certain interest-free shareholder loans owing by the Target Company to the Vendor in the aggregate outstanding amount of approximately HK\$201.08 million at 31 March 2019;
“Shareholders Agreement”	the shareholders agreement to be entered into at Closing among the Purchaser, the Vendor and the Target Company in respect of the Target Company;
“SOCAM”	SOCAM Development Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 983);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Great Market Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SOCAM at the date of this announcement;
“Target Group”	collectively, the Target Company and its subsidiary;
“Transactions”	the Acquisition and the formation of joint venture in respect of the Target Company under the Shareholders Agreement;
“Vendor”	Shui On Building Materials Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SOCAM;
“Vendor’s Onshore Receivables”	certain interest free indebtedness owing by the Project Company to various Affiliates of the Vendor in the PRC in the aggregate outstanding amount of approximately RMB38.86 million (equivalent to approximately HK\$45.47 million) at 31 March 2019; and
“%”	per cent.

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated into HK\$ at the rate of RMB1.00 to HK\$1.17. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates or at all.

By Order of the Board
Shui On Land Limited
Vincent H. S. LO
Chairman

Hong Kong, 14 May 2019

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Douglas H. H. SUNG (Chief Financial Officer) and Ms. Stephanie B. Y. LO; the non-executive director of the Company is Mr. Frankie Y. L. WONG; and the independent non-executive directors of the Company are Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY, Mr. David J. SHAW and Mr. Anthony J. L. NIGHTINGALE.

** For identification purposes only*